

## **COUNCIL ON HUMAN SERVICES**

### **MINUTES**

**December 12, 2012**

#### **COUNCIL**

Mark Anderson  
Phyllis Hansell  
Roger Hartman  
Sally Stutsman  
Mark Peltan  
Roberta Yoder  
Jim Miller (absent)

#### **EX-OFFICIO MEMBERS**

Representative Renee Schulte  
Representative Lisa Heddens (absent)  
Senator Jack Whitver (absent)  
Senator Amanda Ragan (absent)

#### **STAFF**

Chuck Palmer  
Rick Shults  
Linda Miller

Nancy Freudenberg  
Roger Munns

#### **GUESTS**

Dennis Tibben, Iowa Medical Society  
Erin Davison-Rippey, Planned Parenthood  
Tony Leys, Des Moines Register

## **CALL TO ORDER**

Mark Peltan, Chair, called the Council meeting to order by conference call on Wednesday, December 12, 2012, at 10:04 a.m. in the Director's Fifth Floor Conference Room of the Hoover building.

## **ROLL CALL**

All Council members were present with the exception of Miller. Ex-officio members Representative Heddens and Senators Whitver and Ragan were also absent. Representative Schulte was present in the Director's Conference Room.

Chair Peltan read the following: "This meeting of the Iowa Council on Human Services is being held in accord with Section 21.8 of the Code of Iowa entitled "electronic meeting." The Code states that a governmental body may conduct a meeting by electronic means if circumstances are such that a meeting in person is impossible or impractical, or if the governmental body complies with the rules. The rules essentially state that access must be provided to the public. The meeting is being held on a speaker phone in the Director's Fifth Floor Conference Room of the Hoover State Office Building. Notices and agendas were sent to interested groups as well as the press advising them the meeting will be held via conference call. Minutes will be kept of the meeting."

## **RULES**

Nancy Freudenberg, Bureau of Policy Coordination, presented the following rules to Council.

1. Amendments to Chapter 50, State Supplementary Assistance. Allows the use of the same application for State Supplementary Assistance as is used for Medicaid, FIP, and Food Assistance. (State initiative)

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Stutsman to approve and seconded by Hansell.  
**MOTION UNANIMOUSLY CARRIED.**

2. Amendments to Chapters 77, 78, & 79, Medicaid. Implements a 24 hour-per-day on-call service for Medicaid members on the elderly waiver in assisted living facilities. (Federal and state initiative)

Freudenberg said comments were received from Leading Age Iowa and the Iowa Health Care Association. Basically, both organizations thanked the Department for implementing this rule. However, there was concern with the upper limit rate

being set at \$25 per day. They asked the rate be changed to \$31. Freudenberg said the change was not made and explained the reason for this. Other comments from the organizations included adding reimbursement for nursing services under the home and community-based elderly waiver. Freudenberg said this suggestion is not consistent with the intent and scope of this new rule so no change was made. Freudenberg also advised of other comments received.

Freudenberg said a webinar and an informational release has been planned to explain this new service to the assisted living facilities and case managers. This information will be released in early 2013 before the effective date of this rule.

Peltan asked when are nursing services reimbursed. Freudenberg responded nursing services are not reimbursed under the waiver. Nursing services are reimbursed under Medicaid.

Peltan asked how many people on the elderly waiver are in an assisted living facility. Freudenberg responded she will get that information for him.

A motion was made by Anderson to approve and seconded by Hartman.  
MOTION UNANIMOUSLY CARRIED.

3. Amendments to Chapters 79 and 83, Medicaid. Implements home and community-based services waiver rate changes. (Federal and state initiative)

Freudenberg said this rule is a result of Senate File 2336.

A motion was made by Yoder to approve and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

4. Amendments to Chapter 170, Child Care Assistance. Implements funding provided by the legislature to increase child care assistance half-day rate ceilings. (State initiative)

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Stutsman.  
MOTION UNANIMOUSLY CARRIED.

## **REPORT OF NOTICED ACTION**

N-1. Amendments to Chapter 75, Medicaid and PROMISE JOBS. Implements changes to MEPD determination and provides clarification of PROMISE JOBS administrative rules. (State initiative)

N-2. Amendments to Chapters 77, 78, & 79, Medicaid. Implements changes to Medicaid required to be in compliance with the Affordable Care Act. (Federal initiative)

Freudenberg said the Department is receiving a number of comments on this rule.

Peltan and Yoder asked clarification questions.

N-3. Amendments to Chapter 79, Medicaid. Implements changes in reimbursement for home and community-based services habilitation services. (Federal and state initiative)

Council requested a future agenda item be discussion on rehabilitation, habilitation, and remedial services. Members would like to know the definition/differences between these terms.

N-4. Amendments to Chapters 79 & 83, Medicaid. Implements home and community-based services waiver rate changes. (Federal and state initiative)

N-5. Amendments to Chapter 82, Medicaid. Implements terminology changes from mental retardation to intellectual disability. (State initiative)

N-6. Amendments to Chapter 88, Medicaid. Implements the requirement for members to provide consent when providers request a state fair hearing. (State initiative)

Hansell requested to know the number of appeals made. Freudenberg responded it is very few, probably less than one percent.

A motion was made by Yoder to accept the Report of Noticed Action and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

## **APPROVAL OF MINUTES**

Peltan requested the Council discussion that occurred during the PASRR presentation at the November 14, 2012, meeting be added to the minutes.

Council will take action on the November 14 minutes at the January 9<sup>th</sup> meeting after the additions are made.

## **COUNCIL MEMBERS' UPDATE**

Stutsman said this will be her last meeting as a member of the Council on Human Services and she wanted to say how much she enjoyed being on the Council and working with the Council members and staff. It's been a terrific

learning experience. Hansell proposed a gathering in January to thank Stutsman for her service.

Peltan thanked Sally Stutsman for her service to the Council and looks forward to working with her in her new role as a legislator.

Peltan also said he would miss Representative Schulte when she leaves the legislature. He thanked her for her efforts in mental health redesign.

Peltan said in mid-January there will be a presentation of the Mental Health Redesign Workgroup report to the interim committee. Palmer shared it was to initially focus on fiscal issues but the agenda has broadened itself.

## **DIRECTOR'S REPORT**

Palmer updated Council on the Transition Fund report. He noted that transition funds have not yet been appropriated. As of November 1<sup>st</sup> counties were requested to send in information on their financial situation to be reviewed for eligibility for transition funds. The Department's responsibility is to make a recommendation to the Governor and the legislature based on what was found through the process of reviewing county information. Thirty-two of ninety-nine counties applied for funds. Palmer said this drives us to a discussion with legislators around unpaid state bills owed by the county. This is where a majority of the issues seem to be.

Rick Shults, Division Administrator for MHDS, updated Council on the transition fund application process. The Department asked the counties to provide information on their financial situation, revenue, expenses, etc. What was discovered on initial review was that 26 of the 32 counties identified that they did not have sufficient funds to pay both their bills and to continue services in state fiscal year 2013 of the non-Medicaid mental health and disability services. The deficiency could be attributed to some portion of the amount they owed in State bills. He said counties are in a variety of financial circumstances for various reasons and expanded on the reasons.

Shults also reviewed the principles the Department used in arriving at its recommendation: 1) all counties should be treated equitably; 2) counties are expected to operate with balanced budgets each year by managing service costs so they do not exceed available revenue; 3) counties are expected to pay all of their unpaid bills; 4) transition funds are intended to maintain current no-Medicaid county MHDS services and address unintended consequences of MHDS redesign; 5) transition funds are not be used to pay unpaid bills from previous years; and 6) transition funds are not be used to build a SFY 2014 fund balance.

Shults said the Department developed multiple scenarios to assess the counties' financial difficulties. The scenarios were evaluated using the principles listed above. Shults discussed all three scenarios and said the Department's recommendation was to choose scenario three as it came closest to meeting the principles. Under this scenario, counties that receive transition funds would be required to demonstrate they are taking reasonable and appropriate steps to manage overall costs of non-Medicaid MHDS services. It is also recommended that the legislature examine options to address the issue of the counties' unpaid bills, including those of the counties that applied for the transition fund. DHS staff believe there needs to be a discussion related to how we address these unpaid bills, probably not only for the counties that applied for transition funds, but for all counties so that we can find a way to appropriately and reasonably meet the principle that counties need to pay their unpaid bills. Shults said the other issue would be looking at counties that may receive transition funds and have some level of assurance that those counties are looking at all of the services they are delivering and making sure they are providing them in the most effective and efficient manner possible and they are achieving whatever savings are appropriate.

Palmer said this brings better data than we have ever had regarding the situation of each county, including ending fund balances and amounts owed by other counties that did not apply. This brings us to a policy discussion with the legislators because it is important that it be resolved prior to counties going into regions.

Representative Schulte provided points of interest she wanted to reiterate for Council's information regarding her work in mental health redesign. She spoke about the counties' disputed bills as well as noting better data is being collected which provides a better understanding of where county funding is going or not going. She also spoke specifically to Linn County's situation. She feels there is more conversation to be had but she believes the intent is moving in the right direction.

Peltan asked if the transition fund rule was adopted by the MH/DS Commission or did the DHS Council adopt it. Palmer replied the transition fund rule was adopted by the MH/DS commission. They were given the responsibility by the legislature for rulemaking authority in this area as well as rulemaking authority on county exemptions from going into a region.

Hansell said this is a very important discussion and report and is pleased to have the information regarding the various financial conditions of the counties to help aid in the decision process. She noted this report was submitted December 4, 2012, and because it involves a recommendation coming from the Department, she would appreciate prior notification before reports are submitted. She is appreciative of the great deal of work by staff involved in this. She also requested Council continue to be updated on the redesign.

Peltan stated that the major issue now is how to deal with the unpaid bills and the rest of the money that doesn't fall into the transition plan. Palmer said we will need to talk with the legislators that have been close to this issue and work through it.

Peltan requested "Medicaid expansion" and "Insurance Exchange" be future agenda items.

Director Palmer shared that the Council budget was presented to the Governor and staff on December 10<sup>th</sup>.

### **NEXT MEETING**

The next meeting of the Council on Human Services will be held on January 9, 2013, in Des Moines.

A motion was made by Stutsman to adjourn and seconded by Anderson.  
MOTION UNANIMOUSLY CARRIED.

Council adjourned at 11:20 a.m.

Submitted by,

Linda Miller  
Recording Secretary

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